

Message Text

CONFIDENTIAL

PAGE 01 AMMAN 01222 100716Z

12

ACTION IO-14

INFO OCT-01 NEA-10 ISO-00 SR-02 ORM-03 ABF-01 TRSE-00

OMB-01 AF-10 ARA-16 EA-11 EUR-25 RSC-01 CIAE-00

DODE-00 PM-07 H-03 INR-10 L-03 NSAE-00 NSC-07 PA-04

PRS-01 SPC-03 SS-20 USIA-15 DRC-01 /169 W

----- 051948

R 100637Z MAR 74

FM AMEMBASSY AMMAN

TO SECSTATE WASHDC 0832

INFO AMEMBASSY BEIRUT

AMEMBASSY TEL AVIV

AMCONSUL JERUSALEM

USINT DAMASCUS

USMISSION USUN

C O N F I D E N T I A L AMMAN 1222

E.O. 11652: GDS

TAGS: EAID, SREF, UNRWA, XF, JO

SUBJECT: UNRWA FINANCES: JORDAN

1. SUMMARY: DURING SEPARATE INTRODUCTORY CALLS ON THEM BOTH GOJ MINISTER OF DEVELOPMENT AND RECONSTRUCTION (DR. SUBHI AMIR) AND UNRWA JORDAN DIRECTOR TANNER HAVE MADE SPECIAL PLEA WITH REGARD URGENCY AND POTENTIAL SERIOUSNESS OF CURRENT \$12 MILLION UNRWA BUDGET DEFICIT. END SUMMARY.

2. BOTH AMIR AND TANNER ESTIMATED THERE WOULD BE VERY SERIOUS POLITICAL REPERCUSSIONS IF UNREWA IS FORCED TO CURTAIL RATIONS OR SERVICES RESULTING FROM BUDGET SHORTFALL. UNDER PRESENT DEFICIT, UNRWA BEGINNING IN MAY WOULD HAVE TO REDUCE RATIONS FOR THE UNRWA-REGISTERED REFUGEES.
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 AMMAN 01222 100716Z

JUDGING FROM PAST SHARP REFUGEE REACTIONS

WHEN RATION CUTS WERE THREATENED (BUT NEVER IMPLEMENTED) TANNER BELIEVED REFUGEES MIGHT CARRY THROUGH THIS TIME ON USUAL THREATS TO OCCUPY OR BURN UNRWA OFFICES AND DISTRIBUTION CENTERS. WHILE GOJ SECURITY IS GOOD, IT IS PROBLEMATICAL WHETHER DISTURBANCES COULD BE ENTIRELY CONFINED TO REFUGEE CENTERS AND EVEN IF THEY WERE, INCIDENT WOULD HAVE EFFECT ON GOJ'S POLITICAL SITUATION.

3. WITH REGARD TO SERVICES, UNRWA WOULD BE FORCED CURTAIL PRIMARY SCHOOL EDUCATION BEGINNING IN FALL FOR LARGE PORTION OF 90,000-100,000 REFUGEE CHILDREN IN UNRWA SCHOOLS. (GOJ HAS SINCE 1971 ABSORBED SIGNIFICANT ADDITIONAL EDUCATION COSTS FOR REFUGEES RESULTING FROM EARLIER UNRWA BUDGET CUTS AND WOULD BE SORELY PRESSED TO ABSORB FURTHER EDUCATION BURDENS.) MEANWHILE CUT IN SERVICES WOULD REQUIRE LAYING OFF SIGNIFICANT NUMBERS OF 5,000 MAN UNRWA PAYROLL IN JORDAN (PARTICULARLY TEACHERS). UNRWA EMPLOYEES ARE TRADITIONALLY ACTIVE IN USING POLITICAL MEANS FOR PURSUING GRIEVANCES AND CURRENTLY HAVE PETITION BEFORE PRIME MINISTER REGARDING COST-OF-LIVING ISSUE. MINISTER AMIR MENTIONED THAT WHOLESALE LAY-OFFS WOULD ALLOW OPPORTUNITY FOR LEFTISTS AND SUBVERSIVES TO STIR UP TROUBLE WITHIN UNRWA AND REFUGEE ELEMENTS.

4. TO GIVE IDEA MAGNITUDE OF PROBLEM, AMIR AND TANNER SAID CY 1973 UNRWA BUDGET WAS \$63 MILLION; CY 1974 BUDGET NOW ESTIMATED AT \$78 MILLION. DEFICIT IN CY 73 WAS ORDER OF \$1 MILLION, ESTIMATE FOR CY 74 IS \$11.1 MILLION. MAJOR INCREASES RESULT FROM COMMODITY COST INCREASES (FLOUR HAS JUMPED FROM \$110 PER TONE IN JULY TO ABOUT \$300 PER TON CURRENTLY) AND SALARY INCREASES, IN ATTEMPT TO KEEP PACE WITH RAMPANT INFLATION AND SALARY

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 AMMAN 01222 100716Z

INCREASES IN OTHER SECTORS.

5. BOTH AMIR AND TANNER WERE HOPEFUL I WOULD BE ABLE CARRY THEIR REQUEST TO USG DURING MY FORTHCOMING CONSULTATIONS. AM DOING SO IN THIS CABLE AND WISH TO DISCUSS WITH IO ON MY RETURN.

PICKERING

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: REFUGEE RELIEF, BUDGET DEFICITS
Control Number: n/a
Copy: SINGLE
Draft Date: 10 MAR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974AMMAN01222
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: n/a
From: AMMAN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740355/aaaabywm.tel
Line Count: 114
Locator: TEXT ON-LINE
Office: ACTION IO
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 08 JUL 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <08 JUL 2002 by rowelle0>; APPROVED <29 JAN 2003 by GolinoFR>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: UNRWA FINANCES: JORDAN
TAGS: EAID, SREF, XF, JO, UNRWA
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005